

**Instructions for Filing
2012 U.S. Partnership Return of Income**

April 8, 2013

Signature:

A general partner or a limited liability company member should sign and date the return at the bottom of the first page.

Due Date:

File your 2012 Form 1065 on or before: April 15, 2013

(Note: Your state return may be due on a different date. Please review your state filing instructions.)

The IRS may treat tax returns that are lost in the mail as not filed on time, unless you send them by registered or certified mail. To avoid the risk of your tax return being lost, mail it via (1) certified U.S. mail, return receipt requested, or (2) one of the private delivery services listed in the IRS instructions under "When to File." Save the receipt, and you will be presumed to have timely filed your return - even if it is not received by the IRS.

Filing:

File your 2012 Form 1065, U.S. Partnership Return of Income, with:

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
Cincinnati, OH 45999-0011

Prior to filing your return, make sure you have reviewed the return for omissions or misstatements of material information.

Print Extra Copies For:

Partners: Print an extra copy of the Schedules K-1 and partner transmittal letter to give to each of your partners.

State Return: Some state taxing agencies require that you attach a copy of your federal Form 1065 to your state partnership return. If your state requires a copy of the federal Form 1065, make sure an additional filing copy has been printed and attached to the state return.

Your Records: Always print an extra copy of your return for your records.

Tax Due or Refund:

No tax is due with your Federal income tax return.

Other Instructions:

Elections: If you have completed any election forms, you will need to attach a copy of each to your return.

Form 1065 (2012) KRAZE BETHESDA, LLC

Page 2

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:				Yes	No
a	<input type="checkbox"/> Domestic general partnership	b	<input type="checkbox"/> Domestic limited partnership		
c	<input checked="" type="checkbox"/> Domestic limited liability company	d	<input type="checkbox"/> Domestic limited liability partnership		
e	<input type="checkbox"/> Foreign partnership	f	<input type="checkbox"/> Other		
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?				X	
3 At the end of the tax year:					
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership.					X
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership.				X	
4 At the end of the tax year, did the partnership:					
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv) below.					X
(i) Name of Corporation		(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock	
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below					X
(i) Name of Entity		(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
				Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details.					X
6 Does this partnership satisfy all four of the following conditions?					
a The partnership's total receipts for the tax year were less than \$250,000.					
b The partnership's total assets at the end of the tax year were less than \$1 million.					
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.					
d The partnership is not filing and is not required to file Schedule M-3					X
If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.					
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?					X
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?					X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?					X
10 At any time during calendar year 2012, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If 'Yes,' enter the name of the foreign country.					X

Form 1065 (2012) KRAZE BETHESDA, LLC

Page 3

Schedule B Other Information (continued)

	Yes	No
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions.		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year) <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16 Does the partnership have any foreign partners? If 'Yes,' enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶		
18a Did you make any payments in 2012 that would require you to file Form(s) 1099? See instructions		X
b If 'Yes,' did you or will you file all required Form(s) 1099?		X
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return ▶		
20 Enter the number of partners that are foreign governments under section 892 ▶		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner or member-manager designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶	Kraze Burger, Inc.	Identifying number of TMP ▶	
If the TMP is an entity, name of TMP representative ▶		Phone number of TMP ▶	
Address of designated TMP ▶	4031 University Dr. STE 570 Fairfax, VA 22030		

Form 1065 (2012) KRAZE BETHESDA, LLC

Page 4

Schedule K Partners' Distributive Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1 -283,460.
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss)	3a
	b Expenses from other rental activities (attach stmt)	3b
	c Other net rental income (loss). Subtract line 3b from line 3a	3c
	4 Guaranteed payments	4
	5 Interest income	5
	6 Dividends: a Ordinary dividends	6a
	b Qualified dividends	6b
	7 Royalties	7
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8
Deductions	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a
	b Collectibles (28%) gain (loss)	9b
	c Unrecaptured section 1250 gain (attach statement)	9c
	10 Net section 1231 gain (loss) (attach Form 4797)	10
Self-Employment	11 Other income (loss) (see instructions) Type ▶	11
	12 Section 179 deduction (attach Form 4562)	12
	13a Contributions. Cash contributions (50%)	13a 1,800.
	b Investment interest expense	13b
Credits	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c (2)
	d Other deductions (see instructions) Type ▶	13d
	14a Net earnings (loss) from self-employment	14a 0.
	b Gross farming or fishing income	14b
	c Gross nonfarm income	14c 498,422.
	15a Low-income housing credit (section 42(j)(5))	15a
Foreign Transactions	b Low-income housing credit (other)	15b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c
	d Other rental real estate credits (see instructions) Type ▶	15d
	e Other rental credits (see instructions) Type ▶	15e
	f Other credits (see instructions) Type ▶	15f
	16a Name of country or U.S. possession ▶	16a
	b Gross income from all sources	16b
	c Gross income sourced at partner level	16c
	d Passive category ▶ e General category ▶ f Other ▶	16f
	Deductions allocated and apportioned at partner level	
g Interest expense ▶ h Other ▶	16h	
Alternative Minimum Tax (AMT) Items	Deductions allocated and apportioned at partnership level to foreign source income	
	i Passive category ▶ j General category ▶ k Other ▶	16k
	l Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/> k Other ▶	16l
	m Reduction in taxes available for credit (attach statement)	16m
	n Other foreign tax information (attach statement)	
	17a Post-1986 depreciation adjustment	17a 10,187.
Other Information	b Adjusted gain or loss	17b
	c Depletion (other than oil and gas)	17c
	d Oil, gas, and geothermal properties — gross income	17d
	e Oil, gas, and geothermal properties — deductions	17e
	f Other AMT items (attach stmt)	17f
	18a Tax-exempt interest income	18a
	b Other tax-exempt income	18b
	c Nondeductible expenses	18c
	19a Distributions of cash and marketable securities	19a
	b Distributions of other property	19b
	20a Investment income	20a
	b Investment expenses	20b
	c Other items and amounts (attach stmt)	

BAA

Form 1065 (2012)

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l						1	-285,260.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners	-285,260.		0.				

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash			2,705.		3,413.
2a Trade notes and accounts receivable		7,134.		4,463.	
b Less allowance for bad debts			7,134.		4,463.
3 Inventories			7,007.		57,594.
4 U.S. government obligations					
5 Tax-exempt securities					
6 Other current assets (attach stmt)	In 6. Stmt		9.		59,271.
7a Loans to partners (or persons related to partners)					5,963.
b Mortgage and real estate loans					
8 Other investments (attach stmt)					
9a Buildings and other depreciable assets		503,597.		563,597.	
b Less accumulated depreciation		14,665.	488,932.	114,244.	449,353.
10a Depletable assets					
b Less accumulated depletion					
11 Land (net of any amortization)					
12a Intangible assets (amortizable only)					
b Less accumulated amortization					
13 Other assets (attach stmt)	In 13. Stmt		120,121.		120,716.
14 Total assets			625,908.		700,773.
Liabilities and Capital					
15 Accounts payable			33,176.		111,652.
16 Mortgages, notes, bonds payable in less than 1 year					
17 Other current liabilities (attach stmt)	In 17. Stmt		3,679.		4,645.
18 All nonrecourse loans					
19a Loans from partners (or persons related to partners)			8,064.		184,796.
b Mortgages, notes, bonds payable in 1 year or more					
20 Other liabilities (attach stmt)	In 20. Stmt		10,318.		5,977.
21 Partners' capital accounts			570,671.		393,703.
22 Total liabilities and capital			625,908.		700,773.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books	-285,260.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest . . . \$	
3 Guaranteed prmts (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a Depreciation . . . \$	
a Depreciation . . . \$		8 Add lines 6 and 7	
b Travel and entertainment . . . \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-285,260.
5 Add lines 1 through 4	-285,260.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	570,671.	6 Distributions: a Cash	
2 Capital contributed: a Cash	108,292.	b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	-285,260.	8 Add lines 6 and 7	
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	393,703.
5 Add lines 1 through 4	393,703.		

Form **1125-A**

(Rev. December 2012)

Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, or 1065-B.**

▶ **Information about Form 1125-A and its instructions is at www.irs.gov/form1125a.**

OMB No. 1545-2225

Name

Employer identification number

KRAZE BETHESDA, LLC

1	Inventory at beginning of year	1	7,007.
2	Purchases	2	328,556.
3	Cost of labor	3	0.
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	335,563.
7	Inventory at end of year	7	57,594.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions).	8	277,969.

9 a Check all methods used for valuing closing inventory:

- (i) ☒ Cost
(ii) ☐ Lower of cost or market
(iii) ☐ Other (Specify method used and attach explanation) . . . ▶

b Check if there was a writedown of subnormal goods . . . ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . ▶ ☐

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO . . . **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity (see instructions)? . . . ☐ Yes ☒ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation . . . ☐ Yes ☒ No

BAA For Paperwork Reduction Act Notice, see instructions.

Form 1125-A (Rev 12-2012)

SCHEDULE B-1
(Form 1065)

(December 2011)

Department of the Treasury
Internal Revenue Service

**Information on Partners Owning 50% or
More of the Partnership**

► **Attach to Form 1065. See instructions.**

OMB No. 1545-0099

Name of partnership

KRAZE BETHESDA, LLC

Employer identification number (EIN)

Part I **Entities Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

Part II **Individuals or Estates Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
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BAA For Paperwork Reduction Act Notice, see the instructions for Form 1065.

Schedule B-1 (Form 1065) (12-2011)

OMB No. 1545-0172

Form **4562****Depreciation and Amortization**
(Including Information on Listed Property)**2012**Attachment
Sequence No. **179**Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

KRAZE BETHESDA, LLC

Business or activity to which this form relates

Identifying number

Form 1065 Line 22

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12.	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	30,000.
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2012.	17	68,579.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here.		

Section B — Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property		30,000.	15.0 yrs	HY	S/L	1,000.
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C — Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20 a Class life				S/L	
b 12-year		12 yrs		S/L	
c 40-year		40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions.	22	99,579.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FD20812 08/19/12

Form 4562 (2012)

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A – Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

24 a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No		24b If 'Yes,' is the evidence written? . . . <input type="checkbox"/> Yes <input type="checkbox"/> No						
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25	
26 Property used more than 50% in a qualified business use:								
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2012 tax year (see instructions):					
43 Amortization of costs that began before your 2012 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

651112

OMB No. 1545-0099

Schedule K-1
(Form 1065)**2012**

For calendar year 2012, or tax

year beginning _____, 2012

ending _____, 2012

Department of the Treasury
Internal Revenue Service**Partner's Share of Income, Deductions, Credits, etc.**

▶ See separate instructions.

Part I Information About the Partnership**A** Partnership's employer identification number _____**B** Partnership's name, address, city, state, and ZIP codeKRAZE BETHESDA, LLC
4031 UNIVERSITY DR. STE 570
FAIRFAX, VA 22030**C** IRS Center where partnership filed return
CINCINNATI, OH**D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's identifying number _____**F** Partner's name, address, city, state, and ZIP codeKraze Burger, Inc.
4031 University Dr. STE 570
Fairfax, VA 22030**G** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member**H** ☒ Domestic partner ☐ Foreign partner**I1** What type of entity is this partner? (see instr) CORPORATION**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc), check here (see instructions) ☐**J** Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	50.00000 %	50.00000 %
Loss	77.38000 %	100.00000 %
Capital	50.00000 %	50.00000 %

K Partner's share of liabilities at year end:

Nonrecourse	\$ 61,137.
Qualified nonrecourse financing	\$
Recourse	\$ 0.

L Partner's capital account analysis:

Beginning capital account	\$ 237,451.
Capital contributed during the year	\$ 48,292.
Current year increase (decrease)	\$ -285,260.
Withdrawals and distributions	\$
Ending capital account	\$ 483.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain) _____
M Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No

If 'Yes', attach statement (see instructions)

☐ Final K-1☐ Amended K-1**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	15	Credits
	-283,460.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6 a	Ordinary dividends		
6 b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9 a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
		A	10,187.
9 b	Collectibles (28%) gain (loss)		
9 c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
12	Section 179 deduction		
13	Other deductions		
A	1,800.	19	Distributions
14	Self-employment earnings (loss)		
		20	Other information

*See attached statement for additional information.

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This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

		Report on	Code	Report on
1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.				
Passive loss	See the Partner's Instructions		J Work opportunity credit	
Passive income	Schedule E, line 28, column (g)		K Disabled access credit	
Nonpassive loss	Schedule E, line 28, column (h)		L Empowerment zone and renewal community employment credit	
Nonpassive income	Schedule E, line 28, column (j)		M Credit for increasing research activities	
2 Net rental real estate income (loss)	See the Partner's Instructions		N Credit for employer social security and Medicare taxes	
3 Other net rental income (loss)			O Backup withholding	
Net income	Schedule E, line 28, column (g)		P Other credits	
Net loss	See the Partner's Instructions		16 Foreign transactions	
4 Guaranteed payments	Schedule E, line 28, column (j)		A Name of country or U.S. possession	
5 Interest income	Form 1040, line 8a		B Gross income from all sources	Form 1116, Part I
6a Ordinary dividends	Form 1040, line 9a		C Gross income sourced at partner level	
6b Qualified dividends	Form 1040, line 9b		Foreign gross income sourced at partnership level	
7 Royalties	Schedule E, line 4		D Passive category	
8 Net short-term capital gain (loss)	Schedule D, line 5		E General category	Form 1116, Part I
9a Net long-term capital gain (loss)	Schedule D, line 12		F Other	
9b Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)		Deductions allocated and apportioned at partner level	
9c Unrecaptured section 1250 gain	See the Partner's Instructions		G Interest expense	Form 1116, Part I
10 Net section 1231 gain (loss)	See the Partner's Instructions		H Other	Form 1116, Part I
11 Other income (loss)			Deductions allocated and apportioned at partnership level to foreign source income	
Code			I Passive category	
A Other portfolio income (loss)	See the Partner's Instructions		J General category	Form 1116, Part I
B Involuntary conversions	See the Partner's Instructions		K Other	
C Section 1256 contracts and straddles	Form 6781, line 1		Other information	
D Mining exploration costs recapture	See Pub 535		L Total foreign taxes paid	Form 1116, Part II
E Cancellation of debt	Form 1040, line 21 or Form 982		M Total foreign taxes accrued	Form 1116, Part II
F Other income (loss)	See the Partner's Instructions		N Reduction in taxes available for credit	Form 1116, line 12
12 Section 179 deduction	See the Partner's Instructions		O Foreign trading gross receipts	Form 8873
13 Other deductions			P Extraterritorial income exclusion	Form 8873
A Cash contributions (50%)			Q Other foreign transactions	See the Partner's Instructions
B Cash contributions (30%)			17 Alternative minimum tax (AMT) items	
C Noncash contributions (50%)			A Post-1986 depreciation adjustment	
D Noncash contributions (30%)			B Adjusted gain or loss	
E Capital gain property to a 50% organization (30%)			C Depletion (other than oil & gas)	
F Capital gain property (20%)			D Oil, gas, & geothermal — gross income	
G Contributions (100%)			E Oil, gas, & geothermal — deductions	
H Investment interest expense	Form 4952, line 1		F Other AMT items	
I Deductions — royalty income	Schedule E, line 19		18 Tax-exempt income and nondeductible expenses	
J Section 59(e)(2) expenditures	See the Partner's Instructions		A Tax-exempt interest income	Form 1040, line 8b
K Deductions — portfolio (2% floor)	Schedule A, line 23		B Other tax-exempt income	See the Partner's Instructions
L Deductions — portfolio (other)	Schedule A, line 28		C Nondeductible expenses	See the Partner's Instructions
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29		19 Distributions	
N Educational assistance benefits	See the Partner's Instructions		A Cash and marketable securities	
O Dependent care benefits	Form 2441, line 12		B Distribution subject to section 737	
P Preproductive period expenses	See the Partner's Instructions		C Other property	
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions		20 Other information	
R Pensions and IRAs	See the Partner's Instructions		A Investment income	Form 4952, line 4a
S Reforestation expense deduction	See the Partner's Instructions		B Investment expenses	Form 4952, line 5
T Domestic production activities information	See Form 8903 Instructions		C Fuel tax credit information	Form 4136
U Qualified production activities income	Form 8903, line 7b		D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
V Employer's Form W-2 wages	Form 8903, line 17		E Basis of energy property	See the Partner's Instructions
W Other deductions	See the Partner's Instructions		F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
14 Self-employment earnings (loss)			G Recapture of low-income housing credit (other)	Form 8611, line 8
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.			H Recapture of investment credit	See Form 4255
A Net earnings (loss) from self-employment	Schedule SE, Section A or B		I Recapture of other credits	See the Partner's Instructions
B Gross farming or fishing income	See the Partner's Instructions		J Look-back interest — completed long-term contracts	See Form 8697
C Gross non-farm income	See the Partner's Instructions		K Look-back interest — income forecast method	See Form 8866
15 Credits			L Dispositions of property with section 179 deductions	
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings			M Recapture of section 179 deduction	
B Low-income housing credit (other) from pre-2008 buildings			N Interest expense for corporate partners	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings			O Section 453(i)(3) information	
D Low-income housing credit (other) from post-2007 buildings			P Section 453A(c) information	
E Qualified rehabilitation expenditures (rental real estate)			Q Section 1260(b) information	
F Other rental real estate credits			R Interest allocable to production expenditures	
G Other rental credits			S CCF nonqualified withdrawals	
H Undistributed capital gains credit	Form 1040, line 71; check box a		T Depletion information — oil and gas	
I Alcohol and cellulosic biofuel fuels credit	See the Partner's Instructions		U Amortization of reforestation costs	
			V Unrelated business taxable income	
			W Precontribution gain (loss)	
			X Section 108(i) information	
			Y Other information	

651112

OMB No. 1545-0099

Schedule K-1
(Form 1065)**2012**Department of the Treasury
Internal Revenue ServiceFor calendar year 2012, or tax
year beginning _____, 2012
ending _____,**Partner's Share of Income, Deductions, Credits, etc.**
► See separate instructions.**Part I Information About the Partnership****A** Partnership's employer identification number _____**B** Partnership's name, address, city, state, and ZIP codeKRAZE BETHESDA, LLC
4031 UNIVERSITY DR. STE 570
FAIRFAX, VA 22030**C** IRS Center where partnership filed return
CINCINNATI, OH**D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's identifying number _____**F** Partner's name, address, city, state, and ZIP codeJoum B. Lim
6004 Georgetown Court
Clarksville, MD 21029**G** ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member**H** ☒ Domestic partner ☐ Foreign partner**I1** What type of entity is this partner? (see instr) INDIVIDUAL**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc), check here (see instructions) ☐**J** Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	50.00000 %	50.00000 %
Loss	22.62000 %	0.00000 %
Capital	50.00000 %	50.00000 %

K Partner's share of liabilities at year end:

Nonrecourse	\$ 61,137.
Qualified nonrecourse financing	\$
Recourse	\$ 184,796.

L Partner's capital account analysis:

Beginning capital account	\$ 333,220.
Capital contributed during the year	\$ 60,000.
Current year increase (decrease)	\$ 0.
Withdrawals and distributions	\$
Ending capital account	\$ 393,220.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain) _____
M Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No

If 'Yes', attach statement (see instructions)

☐ Final K-1☐ Amended K-1**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

1 Ordinary business income (loss)	15 Credits
0.	
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	16 Foreign transactions
4 Guaranteed payments	
5 Interest income	
6a Ordinary dividends	
6b Qualified dividends	
7 Royalties	
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss)	17 Alternative minimum tax (AMT) items
	A 0.
9b Collectibles (28%) gain (loss)	
9c Unrecaptured section 1250 gain	
10 Net section 1231 gain (loss)	18 Tax-exempt income and nondeductible expenses
11 Other income (loss)	
12 Section 179 deduction	19 Distributions
13 Other deductions	
A 0.	20 Other information
14 Self-employment earnings (loss)	

*See attached statement for additional information.

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This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

	Report on	Code	Report on
1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.		J Work opportunity credit	
Passive loss	See the Partner's Instructions	K Disabled access credit	
Passive income	Schedule E, line 28, column (g)	L Empowerment zone and renewal community employment credit	See the Partner's Instructions
Nonpassive loss	Schedule E, line 28, column (h)	M Credit for increasing research activities	
Nonpassive income	Schedule E, line 28, column (i)	N Credit for employer social security and Medicare taxes	
		O Backup withholding	
2 Net rental real estate income (loss)	See the Partner's Instructions	P Other credits	
3 Other net rental income (loss)		16 Foreign transactions	
Net income	Schedule E, line 28, column (g)	A Name of country or U.S. possession	
Net loss	See the Partner's Instructions	B Gross income from all sources	Form 1116, Part I
4 Guaranteed payments	Schedule E, line 28, column (j)	C Gross income sourced at partner level	
5 Interest income	Form 1040, line 8a	Foreign gross income sourced at partnership level	
6 a Ordinary dividends	Form 1040, line 9a	D Passive category	
6 b Qualified dividends	Form 1040, line 9b	E General category	Form 1116, Part I
7 Royalties	Schedule E, line 4	F Other	
8 Net short-term capital gain (loss)	Schedule D, line 5	Deductions allocated and apportioned at partner level	
9 a Net long-term capital gain (loss)	Schedule D, line 12	G Interest expense	Form 1116, Part I
9 b Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)	H Other	Form 1116, Part I
9 c Unrecaptured section 1250 gain	See the Partner's Instructions	Deductions allocated and apportioned at partnership level to foreign source income	
10 Net section 1231 gain (loss)	See the Partner's Instructions	I Passive category	
11 Other income (loss)		J General category	Form 1116, Part I
Code		K Other	
A Other portfolio income (loss)	See the Partner's Instructions	Other information	
B Involuntary conversions	See the Partner's Instructions	L Total foreign taxes paid	Form 1116, Part II
C Section 1256 contracts and straddles	Form 6781, line 1	M Total foreign taxes accrued	Form 1116, Part II
D Mining exploration costs recapture	See Pub 535	N Reduction in taxes available for credit	Form 1116, line 12
E Cancellation of debt	Form 1040, line 21 or Form 982	O Foreign trading gross receipts	Form 8873
F Other income (loss)	See the Partner's Instructions	P Extraterritorial income exclusion	Form 8873
12 Section 179 deduction	See the Partner's Instructions	Q Other foreign transactions	See the Partner's Instructions
13 Other deductions		17 Alternative minimum tax (AMT) items	
A Cash contributions (50%)	See the Partner's Instructions	A Post-1986 depreciation adjustment	
B Cash contributions (30%)		B Adjusted gain or loss	
C Noncash contributions (50%)		C Depletion (other than oil & gas)	See the Partner's Instructions and the Instructions for Form 6251
D Noncash contributions (30%)		D Oil, gas, & geothermal — gross income	
E Capital gain property to a 50% organization (30%)		E Oil, gas, & geothermal — deductions	
F Capital gain property (20%)		F Other AMT items	
G Contributions (100%)		18 Tax-exempt income and nondeductible expenses	
H Investment interest expense	Form 4952, line 1	A Tax-exempt interest income	Form 1040, line 8b
I Deductions — royalty income	Schedule E, line 19	B Other tax-exempt income	See the Partner's Instructions
J Section 59(e)(2) expenditures	See the Partner's Instructions	C Nondeductible expenses	See the Partner's Instructions
K Deductions — portfolio (2% floor)	Schedule A, line 23	19 Distributions	
L Deductions — portfolio (other)	Schedule A, line 28	A Cash and marketable securities	
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29	B Distribution subject to section 737	See the Partner's Instructions
N Educational assistance benefits	See the Partner's Instructions	C Other property	
O Dependent care benefits	Form 2441, line 12	20 Other information	
P Preproductive period expenses	See the Partner's Instructions	A Investment income	Form 4952, line 4a
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions	B Investment expenses	Form 4952, line 5
R Pensions and IRAs	See the Partner's Instructions	C Fuel tax credit information	Form 4136
S Reforestation expense deduction	See the Partner's Instructions	D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions
T Domestic production activities information	See Form 8903 Instructions	E Basis of energy property	See the Partner's Instructions
U Qualified production activities income	Form 8903, line 7b	F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8
V Employer's Form W-2 wages	Form 8903, line 17	G Recapture of low-income housing credit (other)	Form 8611, line 8
W Other deductions	See the Partner's Instructions	H Recapture of investment credit	See Form 4255
14 Self-employment earnings (loss)		I Recapture of other credits	See the Partner's Instructions
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		J Look-back interest — completed long-term contracts	See Form 8697
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	K Look-back interest — income forecast method	See Form 8866
B Gross farming or fishing income	See the Partner's Instructions	L Dispositions of property with section 179 deductions	
C Gross non-farm income	See the Partner's Instructions	M Recapture of section 179 deduction	
15 Credits		N Interest expense for corporate partners	
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions	O Section 453(j)(3) information	
B Low-income housing credit (other) from pre-2008 buildings		P Section 453A(c) information	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings		Q Section 1260(b) information	See the Partner's Instructions
D Low-income housing credit (other) from post-2007 buildings		R Interest allocable to production expenditures	
E Qualified rehabilitation expenditures (rental real estate)		S CCF nonqualified withdrawals	
F Other rental real estate credits		T Depletion information — oil and gas	
G Other rental credits		U Amortization of reforestation costs	
H Undistributed capital gains credit	Form 1040, line 71; check box a	V Unrelated business taxable income	
I Alcohol and cellulosic biofuel fuels credit	See the Partner's Instructions	W Precontribution gain (loss)	
		X Section 108(i) information	
		Y Other information	

KRAZE BETHESDA, LLC

1

Form 1065, Line 20

Other deductions

ADVERTISING	6,090.
BANK CHARGES	5,355.
INSURANCE	3,333.
LAUNDRY AND CLEANING	4,430.
LEGAL AND PROFESSIONAL	2,594.
OFFICE EXPENSE	676.
PARKING FEES AND TOLLS	1,462.
SUPPLIES	3,382.
TELEPHONE	3,179.
UTILITIES	37,184.
CASH OVER AND SHORT	669.
WORKER'S COMPENSATION	4,265.
MERCHANT SERVICE FEES	17,146.
PEST CONTROL	810.
ROYALTY	48,424.
SECURITY SERVICE	528.
TRASH	4,709.
OUTSIDE SERVICE	25,010.
Total	169,246.

Form 1065, Schedule L, Line 6

Other Current Assets

Other Current Assets:	Beginning of tax year	End of tax year
Other receivables	9.	59,271.
Total	9.	59,271.

Form 1065, Schedule L, Line 13

Other Assets

Other Assets:	Beginning of tax year	End of tax year
Security Deposit	118,956.	119,551.
Utility Deposit	1,165.	1,165.
Total	120,121.	120,716.

Form 1065, Schedule L, Line 17

Other Current Liabilities

Other Current Liabilities:	Beginning of tax year	End of tax year
M&T Credit Card payable		1,639.
Sales Tax payable	3,472.	3,006.
Payroll tax payable	207.	

KRAZE BETHESDA, LLC

2

Form 1065, Schedule L, Line 17

Continued

Other Current Liabilities

Other Current Liabilities:	Beginning of tax year	End of tax year
Total	<u>3,679.</u>	<u>4,645.</u>

Form 1065, Schedule L, Line 20

Other Liabilities

Other Liabilities:	Beginning of tax year	End of tax year
other payable	<u>10,318.</u>	
Deposit in deposit		<u>5,977.</u>
Total	<u>10,318.</u>	<u>5,977.</u>

KRAZE BETHESDA, LLC

INSTRUCTIONS FOR MAILING YOUR 2012 MARYLAND PASS-THROUGH ENTITY INCOME TAX
RETURN

No payment is required with your Maryland Form 510.

Mail your return to the following address on or before April 15, 2013:

COMPTROLLER OF MARYLAND
REVENUE ADMINISTRATION DIVISION
110 CARROLL STREET
ANNAPOLIS, MD 21411-0001

Be sure to have a limited liability company member sign and date the return.

FORM **MARYLAND PASS-THROUGH ENTITY**
510 INCOME TAX RETURN



2012
\$

OR FISCAL YEAR BEGINNING 2012, ENDING

125100014

Name KRAZE BETHESDA LLC	
Number and street 4031 UNIVERSITY DR STE 570	
City or town FAIRFAX	State ZIP code VA 22030
Federal Employer Identification Number (9 digits) ME ▶	Do not write in this space
FEIN Applied for date YE ▶	
Date of Organization or Incorporation (MMDDYY) 11/21/11	Business Activity Code Number (6 digits)

TYPE OF ENTITY: <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Business Trust	AMENDED RETURN <input type="checkbox"/>
CHECK HERE IF: <input type="checkbox"/> Name or address has changed <input type="checkbox"/> First filing of the entity <input type="checkbox"/> Inactive entity <input type="checkbox"/> Final return <input type="checkbox"/> This tax year's beginning and ending dates are different from last year's because of an acquisition or consolidation	

- 1 Number of members: a Individual (including fiduciary) residents of Maryland 1 c Nonresident entities 1
b Individual (including fiduciary) nonresidents 2 d Others 2
e Total 2
- 2 Total distributive or pro rata share of income per federal return (Form 1065 or 1120S) — Unistate entities or multistate entities with no nonresident members also enter this amount on line 4 2 -283460

ALLOCATION OF INCOME

(To be completed by multistate pass-through entities with nonresident members — unistate entities, and multistate entities with no nonresidents, go to line 4)

- 3 a Non-Maryland income (for entities using separate accounting). Subtract this amount from line 2 and enter the difference on line 4 3 a
- 3 b Maryland apportionment factor from computation worksheet on Page 2 (for entities using the apportionment method) Multiply line 2 by this factor and enter the result on line 4 (If factor is zero, enter 000001). 3 b
- 4 Distributive or pro rata share of income allocable to Maryland. 4 -283460

NOTE: Complete lines 5 through 19 only if there is an entry on line 1b or line 1c. Tax is calculated only for nonresident individual or nonresident entity members. (Investment partnerships see Specific Instructions.)

- 5 Percentage of ownership by individual nonresident members shown on line 1b (or profit/loss percentage, if applicable). If 100% leave blank and enter the amount from line 4 on line 6. 5
- 6 Distributive or pro rata share of income for nonresident individual members (Multiply line 4 by the percentage on line 5). 6
- 7 Nonresident individual tax (Multiply line 6 by 5.75%) 7
- 8 Special nonresident tax (Multiply line 6 by 1.25%) 8
- 9 Total Maryland tax on individual members (Add lines 7 and 8) 9

- 10 Percentage of ownership by nonresident entities shown on line 1c (or profit/loss percentage, if applicable). If 100% leave blank and enter the amount from line 4 on line 11 10
- 11 Distributive or pro rata share of income for nonresident entity members (Multiply line 4 by percentage on line 10) 11 -283460
- 12 Nonresident entity tax (Multiply line 11 by 8.25%). 12

- 13 Total nonresident tax (Add lines 9 and 12) 13
- 14 Distributable cash flow limitation from worksheet. See instructions. If worksheet used check here ☐ 14
- 15 Nonresident tax due (Enter the lesser of line 13 or line 14) 15

- 16 a Estimated pass-through entity nonresident tax paid with Form 510D and MW506NRS 16 a
- b Pass-through entity nonresident tax paid with an extension request (Form 510E) 16 b
- c Credit for nonresident tax paid on behalf of pass-through entity by another pass-through entity (Attach Maryland Schedule K-1 or statement) 16 c
- d Total payments and credits (Add lines 16a through 16c) 16 d
- 17 Balance of tax due (If line 15 exceeds line 16d enter the difference) 17
- 18 Interest and/or penalty from Form 500UP 18
- 19 Total balance due (Add lines 17 and 18). Pay in full with this return 19

NOTE: The total tax paid from lines 16d and 17 is to be reported either on the composite return or on the returns of the nonresident members. Nonresident entity and fiduciary members cannot file a composite return nor be included in the composite return filed by nonresident individual members. (See instructions.)

Complete line 20 only if there are no nonresident members. (Lines 1b and 1c are both zero)

- 20 Amount TO BE REFUNDED (Enter the amount from line 16d if the amount on line 13 is zero) 20

FORM **MARYLAND PASS-THROUGH ENTITY**
510 INCOME TAX RETURN
 2012



125100114

Page 2

NAME KRAZE BETHESDA LLC

FEIN _____

SCHEDULE A — COMPUTATION OF APPORTIONMENT FACTOR (Applies only to multistate pass-through entities — see instructions) NOTE: Special apportionment formulas are required for rental/leasing, transportation, financial institutions and manufacturing companies. See Instructions.		Column 1 TOTALS WITHIN MARYLAND	Column 2 TOTALS WITHIN AND WITHOUT MARYLAND	Column 3 DECIMAL FACTOR (Column 1 ÷ Column 2 rounded to six places)
1A Receipts	a Gross receipts or sales less returns and allowances			
	b Dividends			
	c Interest			
	d Gross rents			
	e Gross royalties			
	f Capital gain net income			
	g Other inc (Attach schedule)			
	h Total receipts (Add lines 1A(a) through 1A(g), for Columns 1 and 2)			
1B Receipts	Enter the same factor shown on line 1A, Column 3. Disregard this line if special apportionment formula used			
2 Property	a Inventory			
	b Machinery and equipment			
	c Buildings			
	d Land			
	e Other tangible assets (Attach sch)			
	f Rent expense capitalized (multiplied by eight)			
	g Total property (Add lines 2a through 2f, for Columns 1 and 2)			
3 Payroll	a Compensation of officers			
	b Other salaries and wages			
	c Total payroll (Add lines 3a and 3b, for Columns 1 and 2)			
4 Total of factors	(Add entries in Column 3)			
5 Maryland apportionment factor	Divide line 4 by four for three-factor formula, or by the number of factors used if special apportionment formula required. (If factor is zero, enter 000001 on line 3b, page 1)			

ADDITIONAL INFORMATION REQUIRED

1 Address of principal place of business
(if other than indicated on page 1): 4733 ELM STREET
BETHESDA MD 20814

2 Address at which tax records are located
(if other than indicated on page 1): _____

3 Telephone no. of pass-through entity tax dept: (703) 459-9950

4 State of org or incorp: MARYLAND

5 Has the Internal Revenue Service made adjustments (for a tax year in which a Maryland return was required) that
 were not previously reported to the Maryland Revenue Administration Division? ☐ Yes ☒ No
 If 'yes', indicate tax year(s) here: _____ and submit an amended
 return(s) together with a copy of the IRS adjustment report(s) under separate cover.

6 Did the pass-through entity file withholding tax returns/forms with the Maryland Revenue Administration Division for the last calendar year? ☐ Yes ☒ No

7 Is this entity a multistate corporation that is a member of a unitary group? ☐ Yes ☒ No

8 Is this entity a multistate manufacturing corporation with more than 25 employees? If so, complete and attach Form 500MC to your Form 510 ☐ Yes ☒ No

SIGNATURE AND VERIFICATION: Under penalties of perjury, I declare that I have examined this return (including attachments) and, to the best of my knowledge and belief, it is true, correct and complete. (Declaration of preparer other than the taxpayer is based on all information of which preparer has any knowledge.)

Check here ☐ if you authorize your preparer to discuss this return with us.

Signature of general partner, officer or member _____

Date _____

Preparer's PTIN
(required by law)

Preparer's signature

SELF PREPARED

Title _____

Make checks payable and mail to:
 Comptroller of Maryland, Revenue Administration Division
 110 Carroll Street
 Annapolis, Maryland 21411-0001
 (Write federal employer identification number on check)

Preparer's name, address and telephone number _____

FORM 510
SCHEDULE B

**MARYLAND PASS-THROUGH ENTITY
 INCOME TAX RETURN MEMBERS'
 INFORMATION**



12510B014

2012

Name shown on Form 510

Federal employer identification number (9 digits)

KRAZE BETHESDA LLC

PART I – INDIVIDUAL MEMBERS' INFORMATION

Enter the information in Social Security Number Order

	Social Security Number and name of member	Address	Check Here if Maryland:		Distributive or pro rata share of income (See Instructions)	Distributive or pro rata share of tax paid (See Instructions)	Distributive or pro rata share of tax credit (See Instructions)
			Resident	Non-Resident			
1	JOUM B. LIM	6004 GEORGETOWN COURT CLARKSVILLE MD 21029	X		0		
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
SUBTOTAL from additional Form 510 Schedule B for individual members						0.	0.
TOTAL:							

FORM
510
SCHEDULE B

MARYLAND PASS-THROUGH ENTITY
INCOME TAX RETURN MEMBERS'
INFORMATION



12510B314

2012

Name shown on Form 510

Federal employer identification number (9 digits)

KRAZE BETHESDA LLC

PART IV – CORPORATION MEMBERS' INFORMATION (EXCLUDING S CORPORATIONS)

Enter the information in Federal Employer Identification Number Order

	Federal employer identification number and name of Corporation	Address	Is Member a Nonresident Entity:		Distributive or pro rata share of income (See Instructions)	Distributive or pro rata share of tax paid (See Instructions)	Distributive or pro rata share of tax credit (See Instructions)
			YES	NO			
1	KRAZE BURGER, INC.	4031 UNIVERSITY DR. STE 570 FAIRFAX VA 22030	X		-283460		
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
SUBTOTAL from additional Form 510 Schedule B for corporate members						0.	0.
TOTAL:							

Form
510
SCHEDULE
K-1

MARYLAND
PASS-THROUGH ENTITY
Member's Information



2012

OR FISCAL YEAR BEGINNING _____ 2012, ENDING _____

INFORMATION ABOUT THE PASS-THROUGH ENTITY (PTE)			
PTE Name		PTE FEIN	
KRAZE BETHESDA, LLC			
Street Address			
4031 UNIVERSITY DR. STE 570			
City		State	ZIP Code
FAIRFAX		VA	22030
INFORMATION ABOUT THE MEMBER			
Member Number	Member Name		Member's SSN/FEIN
1	Kraze Burger, Inc.		
Street Address		Resident	Distribution of Pro Rata Share Percentage
4031 University Dr. STE 570		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	100.00000 %
City		State	Zip Code
Fairfax		VA	22030

A Member's Income

1 Distributive or pro rata share of income from federal Schedule K-1	1	-283460
2 Distributive or pro rata share allocable to Maryland (Nonresidents only).	2	-283460

B Additions

1 Non-Maryland municipal interest and dividends	1	
2 Tax preference items	2	
3 Net decoupling modification	3	45562
4 Net decoupling modification from another PTE	4	
5 Other additions (specify additions with amounts in part F of this form).	5	

C Subtractions

1 Income from U.S. obligations	1	
2 Work opportunity credit salary expense	2	
3 Net decoupling modification	3	
4 Net decoupling modification from another PTE	4	
5 Other subtractions (specify subtractions with amounts in part F of this form)	5	

D Nonresident Tax - Enter the member's distributive or pro rata share

1 Nonresident tax paid by this PTE	1	
2 Nonresident tax paid by other PTEs on behalf of this entity	2	
3 Total (add lines 1 and 2. See instructions)	3	

E Credits (Required documentation or certification must be attached.)**

Nonrefundable Credits

1 Enterprise Zone Tax Credit	1	
2 Maryland Disability Employment Tax Credit	2	
3 Job Creation Tax Credit***	3	
4 Community Investment Tax Credit ***	4	
5 Businesses that Create New Jobs Tax Credit	5	

Form 510
SCHEDULE K-1
2012

MARYLAND
PASS-THROUGH ENTITY
Member's Information



Page 2

6	Long-Term Employment of Qualified Ex-Felons Tax Credit	6	
7	Work-Based Learning Program Tax Credit***	7	
8	Employer-Provided Long-Term Care Insurance Tax Credit	8	
9	Research and Development Tax Credit***	9	
10	Commuter Tax Credit	10	
11	Maryland-Mined Coal Tax Credit***	11	
12	Green Building Tax Credit***	12	
13	Bio-Heating Oil Tax Credit***	13	
14	Cellulosic Ethanol Technology Research & Development Tax Credit***	14	
15	Maryland Heritage Structure Rehabilitation Tax Credit (only for years when carryover applied)	15	
16	Electric Vehicle Recharging Equipment Tax Credit***	16	

Refundable Credits

17	Film Production Employment Tax Credit***	17	
18	Biotechnology Investment Incentive Tax Credit***	18	
19	Clean Energy Incentive Tax Credit***	19	
20	Maryland Heritage Structure Rehabilitation Tax Credit and/or Maryland Sustainable Communities Tax Credit***	20	

One Maryland Economic Development Tax Credit***

☒ Refundable ☐ Nonrefundable

21a	Total number of 'qualified employees'	21a	
21b	If the amount on line 21a is less than 25, has the PTE maintained at least 25 qualified employees for at least 5 years? <input type="checkbox"/> Yes <input type="checkbox"/> No		
22	Tax year in which the project was put into service	22	
	Enter Member's Distributive or Pro rata share of the following:		
23	Portions of PTE's income attributable to project.	23	
24	Non-project taxable income from PTE	24	
25	Number of 'qualified employees' multiplied by \$10,000	25	
26	Amount of Maryland income tax required to be withheld from employees reported on line 21a of this form.	26	
27	Total eligible cumulative project costs (\$500,000 PTE minimum, \$5,000,000 PTE maximum)	27	
28	Total cumulative eligible start-up costs (\$500,000 PTE maximum)	28	

F Additional Information

Form
510
SCHEDULE
K-1

MARYLAND
PASS-THROUGH ENTITY
Member's Information



2012

OR FISCAL YEAR BEGINNING _____ 2012, ENDING _____

INFORMATION ABOUT THE PASS-THROUGH ENTITY (PTE)			
PTE Name		PTE FEIN	
KRAZE BETHESDA, LLC			
Street Address			
4031 UNIVERSITY DR. STE 570			
City		State	ZIP Code
FAIRFAX		VA	22030
INFORMATION ABOUT THE MEMBER			
Member Number	Member Name	Member's SSN/FEIN	
2	Joum B. Lim		
Street Address		Resident	Distribution of Pro Rata Share Percentage
6004 Georgetown Court		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	0.00000 %
City		State	Zip Code
Clarksville		MD	21029

A Member's Income

- | | | | |
|---|---|---|---|
| 1 | Distributive or pro rata share of income from federal Schedule K-1 | 1 | 0 |
| 2 | Distributive or pro rata share allocable to Maryland (Nonresidents only). | 2 | |

B Additions

- | | | | |
|---|--|---|---|
| 1 | Non-Maryland municipal interest and dividends | 1 | |
| 2 | Tax preference items | 2 | |
| 3 | Net decoupling modification | 3 | 0 |
| 4 | Net decoupling modification from another PTE | 4 | |
| 5 | Other additions (specify additions with amounts in part F of this form). | 5 | |

C Subtractions

- | | | | |
|---|---|---|--|
| 1 | Income from U.S. obligations | 1 | |
| 2 | Work opportunity credit salary expense | 2 | |
| 3 | Net decoupling modification | 3 | |
| 4 | Net decoupling modification from another PTE | 4 | |
| 5 | Other subtractions (specify subtractions with amounts in part F of this form) | 5 | |

D Nonresident Tax - Enter the member's distributive or pro rata share

- | | | | |
|---|---|---|--|
| 1 | Nonresident tax paid by this PTE | 1 | |
| 2 | Nonresident tax paid by other PTEs on behalf of this entity | 2 | |
| 3 | Total (add lines 1 and 2. See instructions) | 3 | |

E Credits (Required documentation or certification must be attached.)**

Nonrefundable Credits

- | | | | |
|---|--|---|--|
| 1 | Enterprise Zone Tax Credit | 1 | |
| 2 | Maryland Disability Employment Tax Credit | 2 | |
| 3 | Job Creation Tax Credit*** | 3 | |
| 4 | Community Investment Tax Credit *** | 4 | |
| 5 | Businesses that Create New Jobs Tax Credit | 5 | |

Form 510
SCHEDULE K-1
2012

MARYLAND
PASS-THROUGH ENTITY
Member's Information



Page 2

6	Long-Term Employment of Qualified Ex-Felons Tax Credit	6	_____
7	Work-Based Learning Program Tax Credit***	7	_____
8	Employer-Provided Long-Term Care Insurance Tax Credit	8	_____
9	Research and Development Tax Credit***	9	_____
10	Commuter Tax Credit	10	_____
11	Maryland-Mined Coal Tax Credit***	11	_____
12	Green Building Tax Credit***	12	_____
13	Bio-Heating Oil Tax Credit***	13	_____
14	Cellulosic Ethanol Technology Research & Development Tax Credit***	14	_____
15	Maryland Heritage Structure Rehabilitation Tax Credit (only for years when carryover applied)	15	_____
16	Electric Vehicle Recharging Equipment Tax Credit***	16	_____

Refundable Credits

17	Film Production Employment Tax Credit***	17	_____
18	Biotechnology Investment Incentive Tax Credit***	18	_____
19	Clean Energy Incentive Tax Credit***	19	_____
20	Maryland Heritage Structure Rehabilitation Tax Credit and/or Maryland Sustainable Communities Tax Credit***	20	_____

One Maryland Economic Development Tax Credit***

☒ Refundable ☐ Nonrefundable

21a	Total number of 'qualified employees'	21a	_____
21b	If the amount on line 21a is less than 25, has the PTE maintained at least 25 qualified employees for at least 5 years? <input type="checkbox"/> Yes <input type="checkbox"/> No		
22	Tax year in which the project was put into service Enter Member's Distributive or Pro rata share of the following:	22	_____
23	Portions of PTE's income attributable to project	23	_____
24	Non-project taxable income from PTE	24	_____
25	Number of 'qualified employees' multiplied by \$10,000	25	_____
26	Amount of Maryland income tax required to be withheld from employees reported on line 21a of this form.	26	_____
27	Total eligible cumulative project costs (\$500,000 PTE minimum, \$5,000,000 PTE maximum)	27	_____
28	Total cumulative eligible start-up costs (\$500,000 PTE maximum)	28	_____

F Additional Information

FORM
500DM
MARYLAND DECOUPLING
MODIFICATION


12500N014

2012

FOR FISCAL YEAR BEGINNING

2012, ENDING

Name of taxpayer(s) KRAZE BETHESDA LLC	Taxpayer identification number
--	--------------------------------

Use this form only if the Maryland return is affected by the use (for any tax year) of any of the following federal provisions from which Maryland has decoupled (Decoupled Provisions):

- Special Depreciation Allowance under the federal Job Creation and Worker Assistance Act of 2002 (JCWAA) as increased and extended under the federal Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA); and subsequent federal legislation, including the American Recovery and Reinvestment Act of 2009 (ARRA).
- Carryover of a net operating loss (NOL) under IRC Section 172 without regard to an election under IRC Section 172(b)(1)(H) for a carryback period of up to 5 years.
- Federal Section 179 depreciation deductions, taken for a tax year beginning on or after January 1, 2003. For Maryland tax purposes, a taxpayer is only allowed to expense up to \$25,000, reduced dollar-for-dollar by the amount over \$200,000, of the cost of Section 179 property that is purchased and put in service for a trade or business for the tax year. For vehicles placed in service after May 31, 2004, Maryland has also decoupled from the higher depreciation deduction for certain heavy duty SUV allowed under IRC Section 280F.
- Deferral of recognition of income from discharge of indebtedness under the ARRA.
- Deferral of deduction for original issue discount in debt for debt exchanges under the ARRA.

Read instructions and complete the worksheet below.

	Column 1 Federal Return as Filed	Column 2 Federal Return without Decoupled Provisions	Column 3 Difference Increase/ Decrease (-)
1 Depreciation Deductions Subtract the amount in Column 2 from the amount in Column 1 and enter in Column 3. If less than 0, enter as a negative amount (-)	99579	54017	45562
2 NOL Deductions Subtract the amount in Column 2 from the amount in Column 1 and enter in Column 3. If less than 0, enter as a negative amount (-)			
3 Original Issue Discounts Subtract the amount in Column 1 from the amount in Column 2 and enter in Column 3. If less than 0, enter as a negative amount (-)			
4 Discharge of Business Indebtedness Subtract the amount in Column 1 from the amount in Column 2 and enter in Column 3. If less than 0, enter as a negative amount (-)			
5 Other Changes (See instructions)			
6 Net Decoupling Modification Net the amounts on lines 1 through 5 of Column 3. This is the Decoupling Modification. Enter here and include as a positive number in the appropriate line of the Maryland return being filed. Also enter the applicable letter code(s) in the boxes provided on the return. See table below.			45562
7 Decoupling from PTE. Enter code letter dp. (See instructions)			

Return Filed	If line 6 above is positive enter on the line for:	Use the following code if there is an amount above on:				If line 6 above is negative enter on the line for:	Use the following code if there is an amount above on:			
		Line 1 only	Line 2 only	Line 4 only	Multiple Lines		Line 1 only	Line 2 only	Line 4 only	Multiple Lines
500	Addition Adjustments	e	f	cd	dm	Subtractions Adjustments	j	k	cd	dm
502	Other Additions	l	m	cd	dm	Other Subtractions	bb	cc	cd	dm
504	Other Additions	No code required				Other Subtractions	No code required			
505	Other Additions	j	k	cd	dm	Other Subtractions	bb	cc	cd	dm
500X	Total Addition Modifications	No code required				Total Subtraction Modifications	No code required			
502X	Additions To Income	No code required				Subtractions from Income	No code required			
505X	Additions to Income	No code required				Subtractions from Income	No code required			

State Adjustments to Federal Depreciation Amounts

2012

Name as Shown on Return: KRAZE BETHESDA, LLC

EIN: _____

Main Activity Form 1065	(A) State Depr Adj	(B) Other Adjustments	(C) Total Adjustment
	45,562.		45,562.
Form 8825	(A) State Depr Adj	(B) Other Adjustments	(C) Total Adj (Col. A + Col. B)
Total Form 8825 Depreciation Adjustment (Sum of Column C)			

Schedule F	(A) State Depr Adj	(B) Other Adjustments	(C) Total Adj (Col. A + Col. B)
Total Schedule F Depreciation Adjustment (Sum of Column C)			

Farm Rental Income	(A) State Depr Adj	(B) Other Adjustments	(C) Total Adj (Col. A + Col. B)
Total Farm Rental Depreciation Adjustment (Sum of Column C)			

Total Depreciation Adjustment 45,562.

Section 179 Adjustment	(A) Adjustment Amount	(B) Other Adjustments	(C) Total Adj (Col. A + Col. B)

Sale of Assets (Includes recapture for Form 6252)

Description of Asset Sold	Date Acquired	Date Sold	Federal Accum Depreciation	State Accum Depreciation	Other Adj	Gain/Loss Adjustment

Sale of Assets with Sec 179 Deduction Reported Separately on Federal 1120S/1065

Description of Asset Sold	Date Acquired	Date Sold	Federal Acc. Depr.	State Acc. Depr.	Other Adj	Gain/Loss Adjustment

Form 6252 Current Year Installment Gain Adjustment

Description of Asset Sold	Date Acquired Sold	Current Yr Payment	Gross Profit Federal State	Gain Federal State	Other Adj	Gain/Loss Adjustment

Form 6252 Current Year Installment Gain Adj for Assets with Sec 179 Reported Separately on 1120S/1065

Description of Asset Sold	Date Acquired Sold	Current Yr Payment	Gross Profit Federal State	Gain Federal State	Other Adj	Gain/Loss Adjustment

Total Gain/Loss Adjustment

Form 1065 Department of the Treasury Internal Revenue Service		U.S. Return of Partnership Income For calendar year 2012, or tax year beginning _____, 2012, ending _____, 20_____. Information about Form 1065 and its separate instructions is at www.irs.gov/form1065.		OMB No. 1545-0089 2012
A Principal business activity Food / Beverage Services B Principal product or service FOOD C Business code number	Print or type. Name of partnership KRAZE BETHESDA, LLC Number, street, and room or suite number. If a P.O. box, see the instructions. 4031 UNIVERSITY DR. STE 570 City or town State ZIP code FAIRFAX VA 22030	D Employer identification number E Date business started 11/21/11 F Total assets (see instrs) \$ 700,773.		
G Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return (6) <input type="checkbox"/> Technical termination — also check (1) or (2) H Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____ I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____ 2 J Check if Schedules C and M-3 are attached <input type="checkbox"/>				

Caution. Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

I N C O M E	1 a Gross receipts or sales	1 a	793,605.		
	b Returns and allowances	1 b	17,214.		
	c Balance. Subtract line 1b from line 1a			1 c	776,391.
	2 Cost of goods sold (attach Form 1125-A)			2	277,969.
	3 Gross profit. Subtract line 2 from line 1c			3	498,422.
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	
S E E E I N G E E D U C T I O N S	7 Other income (loss) (attach statement)			7	
	8 Total income (loss). Combine lines 3 through 7			8	498,422.
	9 Salaries and wages (other than to partners) (less employment credits)			9	253,313.
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	8,045.
	12 Bad debts			12	
	13 Rent			13	211,822.
	14 Taxes and licenses			14	38,630.
	15 Interest			15	
	16 a Depreciation (if required, attach Form 4562)	16 a	99,579.		
	b Less depreciation reported on Form 1125-A and elsewhere on return	16 b		16 c	99,579.
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
	19 Employee benefit programs			19	1,247.
20 Other deductions (attach statement)			20	169,246.	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	781,882.	
22 Ordinary business income (loss). Subtract line 21 from line 8			22	-283,460.	

Sign Here Paid Preparer Use Only	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.				
	Signature of general partner or limited liability company member manager _____		Date _____		May the IRS discuss this return with the preparer shown below (see instrs)? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Print/Type preparer's name _____	Preparer's signature _____	Date _____	Check <input type="checkbox"/> if self-employed	PTIN _____
Firm's name Self-Prepared		Firm's EIN _____			Phone no. _____
Firm's address _____					

Form 1065 (2012) KRAZE BETHESDA, LLC

Page 2

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:				Yes	No
a <input type="checkbox"/> Domestic general partnership	b <input type="checkbox"/> Domestic limited partnership				
c <input checked="" type="checkbox"/> Domestic limited liability company	d <input type="checkbox"/> Domestic limited liability partnership				
e <input type="checkbox"/> Foreign partnership	f <input type="checkbox"/> Other				

2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?	Yes	No
		X

3 At the end of the tax year:	Yes	No
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership.		X
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If 'Yes,' attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership.	X	

4 At the end of the tax year, did the partnership:	Yes	No
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv) below.		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below	Yes	No
		X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details.	Yes	No
		X

6 Does this partnership satisfy all four of the following conditions?	Yes	No
a The partnership's total receipts for the tax year were less than \$250,000.		
b The partnership's total assets at the end of the tax year were less than \$1 million.		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
d The partnership is not filing and is not required to file Schedule M-3 If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		X

7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?	Yes	No
		X

8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?	Yes	No
		X

9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?	Yes	No
		X

10 At any time during calendar year 2012, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If 'Yes,' enter the name of the foreign country.	Yes	No
		X

Form 1065 (2012) KRAZE BETHESDA, LLC

Page 3

Schedule E Other Information (continued)

	Yes	No
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions.		X
12 a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If 'Yes,' attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year) <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16 Does the partnership have any foreign partners? If 'Yes,' enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶		
18 a Did you make any payments in 2012 that would require you to file Form(s) 1099? See instructions		X
b If 'Yes,' did you or will you file all required Form(s) 1099?		X
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return ▶		
20 Enter the number of partners that are foreign governments under section 892 ▶		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner or member-manager designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶	Kraze Burger, Inc.	Identifying number of TMP ▶	
If the TMP is an entity, name of TMP representative ▶		Phone number of TMP ▶	
Address of designated TMP ▶	4031 University Dr. STE 570 Fairfax, VA 22030		

Form 1065 (2012) KRAZE BETHESDA, LLC

Page 4

Schedule K Partners' Distributive Share Items		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1 -283,460.
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss)	3a
	b Expenses from other rental activities (attach stmt)	3b
	c Other net rental income (loss). Subtract line 3b from line 3a	3c
	4 Guaranteed payments	4
	5 Interest income	5
	6 Dividends: a Ordinary dividends	6a
	b Qualified dividends	6b
	7 Royalties	7
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8
Deductions	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a
	b Collectibles (28%) gain (loss)	9b
	c Unrecaptured section 1250 gain (attach statement)	9c
	10 Net section 1231 gain (loss) (attach Form 4797)	10
Deductions	11 Other income (loss) (see instructions) Type ▶	11
	12 Section 179 deduction (attach Form 4562)	12
	13a Contributions Cash contributions (50%)	13a 1,800.
	b Investment interest expense	13b
Self-Employment	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c (2)
	d Other deductions (see instructions) Type ▶	13d
	14a Net earnings (loss) from self-employment	14a 0.
Credits	b Gross farming or fishing income	14b
	c Gross nonfarm income	14c 498,422.
	15a Low-income housing credit (section 42(j)(5))	15a
	b Low-income housing credit (other)	15b
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c
	d Other rental real estate credits (see instructions) Type ▶	15d
Foreign Transactions	e Other rental credits (see instructions) Type ▶	15e
	f Other credits (see instructions) Type ▶	15f
	16a Name of country or U.S. possession ▶	16a
	b Gross income from all sources	16b
	c Gross income sourced at partner level	16c
	Foreign gross income sourced at partnership level	
	d Passive category ▶ e General category ▶ f Other ▶	16f
	Deductions allocated and apportioned at partner level	
	g Interest expense ▶ h Other ▶	16h
	Deductions allocated and apportioned at partnership level to foreign source income	
i Passive category ▶ j General category ▶ k Other ▶	16k	
Alternative Minimum Tax (AMT) Items	l Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/> k Other ▶	16l
	m Reduction in taxes available for credit (attach statement)	16m
	n Other foreign tax information (attach statement)	
	17a Post-1986 depreciation adjustment	17a 10,187.
	b Adjusted gain or loss	17b
	c Depletion (other than oil and gas)	17c
Other Information	d Oil, gas, and geothermal properties — gross income	17d
	e Oil, gas, and geothermal properties — deductions	17e
	f Other AMT items (attach stmt)	17f
	18a Tax-exempt interest income	18a
	b Other tax-exempt income	18b
	c Nondeductible expenses	18c
	19a Distributions of cash and marketable securities	19a
b Distributions of other property	19b	
Other Information	20a Investment income	20a
	b Investment expenses	20b
	c Other items and amounts (attach stmt)	

BAA

Form 1065 (2012)

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16i						1	-285,260.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners	-285,260.		0.				

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash			2,705.		3,413.
2 a Trade notes and accounts receivable		7,134.		4,463.	
b Less allowance for bad debts			7,134.		4,463.
3 Inventories			7,007.		57,594.
4 U.S. government obligations					
5 Tax-exempt securities					
6 Other current assets (attach stmt) . . . In 6 Stmt			9.		59,271.
7 a Loans to partners (or persons related to partners)					5,963.
b Mortgage and real estate loans					
8 Other investments (attach stmt)					
9 a Buildings and other depreciable assets		503,597.		563,597.	
b Less accumulated depreciation		14,665.	488,932.	114,244.	449,353.
10 a Depletable assets					
b Less accumulated depletion					
11 Land (net of any amortization)					
12 a Intangible assets (amortizable only)					
b Less accumulated amortization					
13 Other assets (attach stmt) . . . In 13 Stmt			120,121.		120,716.
14 Total assets			625,908.		700,773.
Liabilities and Capital					
15 Accounts payable			33,176.		111,652.
16 Mortgages, notes, bonds payable in less than 1 year					
17 Other current liabilities (attach stmt) . . . In 17 Stmt			3,679.		4,645.
18 All nonrecourse loans					
19 a Loans from partners (or persons related to partners)			8,064.		184,796.
b Mortgages, notes, bonds payable in 1 year or more					
20 Other liabilities (attach stmt) . . . In 20 Stmt			10,318.		5,977.
21 Partners' capital accounts			570,671.		393,703.
22 Total liabilities and capital			625,908.		700,773.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books	-285,260.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest . . . \$	
3 Guaranteed pmts (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16i, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16i (itemize):		a Depreciation . . . \$	
a Depreciation . . . \$		8 Add lines 6 and 7	
b Travel and entertainment . . . \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-285,260.
5 Add lines 1 through 4	-285,260.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	570,671.	6 Distributions: a Cash	
2 Capital contributed: a Cash	108,292.	b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	-285,260.	8 Add lines 6 and 7	
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	393,703.
5 Add lines 1 through 4	393,703.		

KRAZE BETHESDA, LLC

1

Form 1065, Line 20

Other deductions

ADVERTISING	6,090.
BANK CHARGES	5,355.
INSURANCE	3,333.
LAUNDRY AND CLEANING	4,430.
LEGAL AND PROFESSIONAL	2,594.
OFFICE EXPENSE	676.
PARKING FEES AND TOLLS	1,462.
SUPPLIES	3,382.
TELEPHONE	3,179.
UTILITIES	37,184.
CASH OVER AND SHORT	669.
WORKER'S COMPENSATION	4,265.
MERCHANT SERVICE FEES	17,146.
PEST CONTROL	810.
ROYALTY	48,424.
SECURITY SERVICE	528.
TRASH	4,709.
OUTSIDE SERVICE	25,010.
Total	169,246.

